

REFERENCE TITLE: **fiscal emergency fund**

State of Arizona
Senate
Forty-seventh Legislature
Second Regular Session
2006

SCR 1029

Introduced by
Senators Martin, Bee, Harper, Tibshraeny; Blendu, Burns, Flake, Gould,
Huppenthal, Jarrett, Johnson; Representative Paton

A CONCURRENT RESOLUTION

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX,
CONSTITUTION OF ARIZONA, BY ADDING SECTION 24; RELATING TO A FISCAL EMERGENCY
FUND.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it resolved by the Senate of the State of Arizona, the House of
2 Representatives concurring:

3 1. Article IX, Constitution of Arizona, is proposed to be amended by
4 adding section 24 as follows if approved by the voters and on proclamation of
5 the Governor:

6 24. Fiscal emergency fund; definition

7 SECTION 24. A. BEFORE MARCH 1 OF EACH YEAR, THE ECONOMIC
8 ESTIMATES COMMISSION, ESTABLISHED PURSUANT TO SECTION 17 OF THIS
9 ARTICLE, SHALL DETERMINE THE AMOUNT OF STATE REVENUES IN THE
10 PRECEDING FISCAL YEAR, ADJUSTED ACCORDING TO THE ANNUAL CHANGE
11 IN THE POPULATION OF THIS STATE AND IN THE COST OF LIVING,
12 COMPUTED AS THE SUM OF THE FOLLOWING:

13 1. THE ACTUAL AMOUNT OF STATE REVENUES IN THE PRECEDING
14 FISCAL YEAR.

15 2. THE AMOUNT OF STATE REVENUES APPROPRIATED IN THE
16 PRECEDING FISCAL YEAR MULTIPLIED BY THE POSITIVE OR NEGATIVE
17 PERCENTAGE CHANGE FROM THE PRECEDING YEAR IN THE POPULATION OF
18 THIS STATE. FOR THE PURPOSES OF THIS PARAGRAPH, THE ECONOMIC
19 ESTIMATES COMMISSION SHALL DETERMINE THE POPULATION BY USING THE
20 UNITED STATES DECENTNIAL CENSUS OR THE ANNUAL UPDATE OF THE
21 CENSUS BY THE DEPARTMENT OF ECONOMIC SECURITY OR ITS SUCCESSOR
22 AGENCY.

23 3. THE AMOUNT OF STATE REVENUES APPROPRIATED IN THE
24 PRECEDING FISCAL YEAR MULTIPLIED BY THE POSITIVE OR NEGATIVE
25 PERCENTAGE CHANGE FROM THE PRECEDING YEAR IN THE COST OF LIVING.
26 FOR THE PURPOSES OF THIS PARAGRAPH, THE ECONOMIC ESTIMATES
27 COMMISSION SHALL DETERMINE THE COST OF LIVING BY USING THE
28 IMPLICIT PRICE DEFULATOR FOR THE GROSS NATIONAL PRODUCT, OR ITS
29 SUCCESSOR INDEX, AS REPORTED BY THE RESPONSIBLE AGENCY OF THE
30 UNITED STATES GOVERNMENT. THE ECONOMIC ESTIMATES COMMISSION MAY
31 TAKE INTO ACCOUNT MINOR TECHNICAL ADJUSTMENTS TO THE INDEX THAT
32 ARE MADE OCCASIONALLY BY THE UNITED STATES GOVERNMENT.

33 B. IF THE AMOUNT OF STATE REVENUES IN FISCAL YEAR
34 2006-2007 AND ANY FISCAL YEAR THEREAFTER EXCEEDS THE AMOUNT
35 COMPUTED FOR THE FISCAL YEAR UNDER SUBSECTION A OF THIS SECTION,
36 THE LEGISLATURE SHALL APPROPRIATE AT LEAST TWENTY-FIVE PER CENT
37 OF THE AMOUNT OF THE SURPLUS REVENUE TO A STATE FISCAL EMERGENCY
38 FUND, EXCEPT THAT:

39 1. THE AMOUNT IN THE FUND MAY NEVER EXCEED FIFTEEN PER
40 CENT OF THE MAXIMUM APPROPRIATION AMOUNT ALLOWABLE UNDER SECTION
41 17 OF THIS ARTICLE FOR THE CURRENT FISCAL YEAR.

42 2. THE DEPOSIT REQUIREMENTS OF THIS SUBSECTION DO NOT
43 APPLY FOR THE FIRST TWO FISCAL YEARS IN WHICH STATE REVENUES
44 INCREASE PURSUANT TO SUBSECTION A OF THIS SECTION, IF BOTH OF
45 THE FOLLOWING CONDITIONS APPLY:

1 (a) STATE REVENUES PURSUANT TO SUBSECTION A OF THIS
2 SECTION FAILED TO INCREASE GREATER THAN POPULATION AND INFLATION
3 IN THE TWO IMMEDIATELY PRECEDING FISCAL YEARS.

4 (b) THERE ARE NO MONIES IN THE FISCAL EMERGENCY FUND.

5 C. THE LEGISLATURE MAY APPROPRIATE MONIES FROM THE FISCAL
6 EMERGENCY FUND ONLY IN THE FOLLOWING CIRCUMSTANCES:

7 1. IN A FISCAL YEAR IN WHICH STATE REVENUES FAILED TO
8 INCREASE ABOVE THE PRECEDING FISCAL YEAR AT A RATE AT LEAST
9 EQUAL TO THE ANNUAL CHANGE IN THE POPULATION OF THIS STATE AND
10 IN THE COST OF LIVING, AS DETERMINED PURSUANT TO SUBSECTION A OF
11 THIS SECTION. APPROPRIATIONS FROM THE FUND FOR THIS PURPOSE IN
12 ANY FISCAL YEAR ARE LIMITED TO THE AMOUNT OF THE DIFFERENCE
13 BETWEEN:

14 (a) THE AMOUNT OF STATE REVENUES IN THE PRECEDING FISCAL
15 YEAR, ADJUSTED ACCORDING TO THE ANNUAL CHANGE IN THE POPULATION
16 OF THIS STATE AND IN THE COST OF LIVING AS DETERMINED PURSUANT
17 TO SUBSECTION A OF THIS SECTION.

18 (b) THE ESTIMATED STATE REVENUES FOR THE CURRENT FISCAL
19 YEAR.

20 2. FOR DECLARED EMERGENCIES AND ON THE AFFIRMATIVE VOTE
21 OF AT LEAST TWO-THIRDS OF THE MEMBERS OF EACH HOUSE OF THE
22 LEGISLATURE, WITH THE APPROVAL OF THE GOVERNOR, OR, IF THE
23 GOVERNOR VETOES THE MEASURE, ON THE AFFIRMATIVE VOTE OF AT LEAST
24 THREE-FOURTHS OF THE MEMBERS OF EACH HOUSE OF THE LEGISLATURE.
25 FOR THE PURPOSES OF THIS PARAGRAPH, AN EMERGENCY DOES NOT
26 INCLUDE ECONOMIC CONDITIONS, REVENUE SHORTFALLS OR ORDINARY
27 ADMINISTRATIVE COSTS.

28 D. FOR THE PURPOSES OF THIS SECTION, "STATE REVENUES" HAS
29 THE SAME MEANING PRESCRIBED IN SECTION 17 OF THIS ARTICLE.

30 2. The Secretary of State shall submit this proposition to the voters
31 at the next general election as provided by article XXI, Constitution of
32 Arizona.